

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:726

ANSWERED ON:21.07.2016

Investment in Power Sector

Danve Shri Raosaheb Patil;Singh Shri Ravneet

Will the Minister of POWER be pleased to state:

- (a) whether the Government proposes to increase investment in power sector, if so, the details thereof indicating the quantum of estimated investments by 2030;
- (b) whether the Government proposes to invite foreign investment in power sector, if so, the details thereof and the modalities worked out in this regard;
- (c) whether the Government proposes to undertake structural reforms in the sector, if so, the details thereof; and
- (d) the details of industrial houses in the country which have formulated plans to invest in power sector and the details of the capacity and locations of the power plants for which Government has been consulted by those houses?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL, NEW & RENEWABLE ENERGY AND MINES

(SHRI PIYUSH GOYAL)

(a) : Preliminary estimation of the Nineteenth Electric Power Survey (EPS) by Central Electricity Authority (CEA) reveal that a sum of around Rs.32 lakh crore would be required for meeting the expenditure on generation, transmission and distribution alone during the period 2017-2027. Over and above this, there would be commensurate investments required for research and development, manpower needs, energy conservation measures etc.

(b) : The Government of India has notified the FDI policy under which 100% foreign investment in generation (except nuclear power), transmission and distribution has been allowed through the automatic route. Also, setting up of generating plants is delicensed. Any foreign or Indian Company, that wants to build and operate the generating plant is not required to take permission of any government, other than abiding by the extant rules and regulations.

(c) : Reforms in power sector is an ongoing process. So far, the enactment of Electricity Act, 2003 along with the policies and regulations made thereunder have brought in comprehensive reform in the electricity sector with the overall objective of extending benefits to the end consumers and balanced growth of the sector. To achieve the objectives of efficiency and for giving choice to consumers through competition in different segments of electricity market, Government, through the proposed Electricity (Amendment) Bill, 2014 has been suggested the concept of multiple supply licensees by segregating the carriage from content in the distribution sector and determination of tariff based on market principles, while continuing with the carriage (distribution network) as a regulated activity.

(d) : Generation has been delicensed in the Electricity Act 2003 and developers don't need to approach Government to set up power plants except for taking statutory clearances. Only in the case of hydro plants costing more than Rs.1,000 crore, the developers have to obtain a concurrence from the Central Electricity Authority. The list of hydro plants where concurrence has been awarded by CEA is Annexed.
